

## ABSTRACT

### *Characteristics of Crowdfunding System as a Funding Alternative in Creative Industry*

This research aims to analyze and find out the characteristics of crowdfunding through the philosophical foundation, legal relationship and legal protection. Crowdfunding is the newest technology-based funding solution that could be used for a wide range of purposes including creative industry funding. The legal issues are : (1) the philosophy of crowdfunding in creative industry funding, (2) legal relationship in crowdfunding and principles of contract that shown in it, (3) legal protection of crowdfunding. The research methods include statute approach, comparative approach and conceptual approach.

The donation and reward based crowdfunding has no specific legal regulation yet, nor is the equity crowdfunding. While the lending based crowdfunding has regulated although not all aspects. In addition to faces the issue of legal certainty, crowdfunding also faces competition issues with incumbent financial institutions. Crowdfunding which is based on massive online funding has unique characteristics so that the legal protection must be adjusted to the characteristics itself.

The result of this research is : 1) Crowdfunding is philosophically compatible with mutual assistance and kinship principle. 2). Legal relationship in donation and reward based crowdfunding are from grant, lending based crowdfunding is from loan agreement, and equity crowdfunding is from corporation agreement with profit-sharing system. The implementation should be based on principles of contracts. 3). Preventive legal protection related to supervision of authorized institutions. Repressive legal protection in donation and reward based crowdfunding goes to the realm of criminal law. In lending and equity based crowdfunding, it includes litigation and non – litigation. Non – litigation settlement could be done via ODR.

**Keywords :** *Crowdfunding, Creative Industry, Contractual Relationship, Legal Protection*